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ITT Gave $350,000 To Chile in 1970

From News Dispatches

PHOENIX, May 12—International Telephone and Telegraph Corp. disclosed today that about $350,000 of corporate funds may have been given to Chile in 1970 to fight communism.

ITT Chairman Harold Geneen, in disclosing the information, said such political contributions would be legal under Chile and U.S. law.

Geneen, addressing the company's annual meeting here, said, "We have recent information tending to show that some $350,000 of ITT funds may have been sent to Chile in the year 1970 for the purpose of supporting the democratic, anti-Communist cause there within the framework of their normal democratic process, but there is no information that even suggests any support of an irregular or violent action."

In 1970, Chile elected Salvador Allende as president, the first freely elected Marxist president in the Western World.

Geneen said it appeared from publishing reports that U.S. government authorities both "knew of and encouraged at that time funding of this type, by several corporations, as furthering the U.S. government's own objectives."

He said that the possible political contribution in Chile "would have only been for the purpose of seeking to preserve a major investment of the company amounting to $153 million for the stockholders which the company did recover."

ITT reported two months ago that unidentified employees made unauthorized payments of $3.8 million, mainly overseas, from 1971 through 1975.

The chairman told shareholders that these "deviations from our policy regarding political nonpartisanship were very minor indeed."

HAROLD GENEEN
. . . cites legality

Meanwhile, Geneen said ITT's first quarter earnings increased 12 per cent to $119.3 million or 96 cents a share, compared with $100.6 million or 86 cents a share the similar period last year.

Sales in the quarter were $2.69 billion, compared with $2.64 billion a year earlier, a 2 per cent gain.

Geneen said the gain in profits from a year ago reflected a 70 per cent increase in the earnings of the ITT subsidiary Hartford Insurance Group.